

Building Oregon's Health Insurance Exchange

Draft Recommendations to Oregon Health Policy Board

Nora Leibowitz
Barney Speight

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Presentation Overview

- Background
- Goals for Oregon's Exchange
- Vision of Success
- Staff Recommendations
 - Structure & Governance
 - Market/Operational Framework
 - Choice of Health Plans
 - Coordination w/ Public Programs
 - Risk Mediation
 - Financial Sustainability

Who will use the Oregon Exchange?

Starting 2014:

- Individuals who do not have employer-sponsored coverage
- Small employer groups (1 – 50 or 1 – 100)
- To access tax credits and assistance with cost-sharing expenses individuals & small employers must purchase through the Exchange
 - Federal premium tax credits and cost-sharing reductions are available for people with income up to 400% of the federal poverty level (\$88,200 for a family of 4)
 - Federal assistance will reduce out-of-pocket expenses for those with lower incomes

Timeline for Implementation

- **10/1/2010:** Federal planning grants awarded
- **2011 OR Leg:** Statutory charter enacted
- **Mid-2011**
 Thru 2012: Oregon Exchange built per Federal specs
- **1/1/2013:** Deadline for Federal certification of State readiness
- **Mid-2013:** Enrollment via Exchange will start (1/1/14 eff. date)
- **1/1/2014:** Exchange operational
 - Guaranteed issue coverage in effect
 - Individual insurance mandate in effect

Goals for Oregon's Exchange...

From the Health Policy Board:

- Facilitate access to coverage
- Simplify
 - Health plan designs and rules
 - Plan enrollment
 - State health insurance regulation
- Change the way health services are provided/paid for
- Contain costs where possible

What Does Success Look Like?

Oregon's Exchange will:

- Provide useful & timely assistance to Oregonians through multiple media (Web, printed, in-person)
- Offer a range of health plan choices that meet diverse consumer needs
- Make enrollment & premium assistance easy for customers
- Improve access to insurance coverage and health care
- Score high in customer focus, responsiveness, & service
- Grow through customer Trust, Service & Value
- Be financially strong & sustainable

What's Happened Since May?

- Technical Advisory Work Group
 - Diverse group met 3 times
 - Identified values: efficiency; flexibility; accountability; consumer focus
 - Discussed options, implications
- Additional discussions with stakeholders
- Staff & consultant analysis

ACA Defines Core Exchange Functions

- Provide Consumer Information
- Certify Health Plans that Participate (QHP)
- Offer Meaningful Coverage Choices
- Grade Health Plans
- Provide Customer Assistance
- Facilitate Community-based Assistance
- Administer Exemptions
- Provide Information to the Federal Government

Staff Recommendations:

1. Organizational Structure
2. Governance
3. Market/Operational Framework
4. Choice of Health Plans
5. Coordination w/ Public Programs
6. Risk Mediation
7. Financial Sustainability

1. Structure: Public Corporation

- Chartered by State statute
 - e.g., OHSU, SAIF, Port of Portland
- Unique statute that will address:
 - Governance
 - Authority & Duties
 - Personnel & Finance
 - Programs
 - Applicable & Non-Applicable provisions of Oregon Revised Statutes (ORS)
 - Stakeholder Advisory Committees (consumers, small business, carriers, etc.)

2. Governance: Board of Directors

- Appointed by Governor, confirmed by Oregon Senate
- Number: 5 to 9
- Qualifications: Broad, specific, combo?
- Ex-Officio (voting):
 - Directors of DCBS & OHA
 - Member of OHPB
- Responsible for hiring skilled executive leadership

3. Market/Operational Framework _A :

- Enrollment in Exchange begins 1-1-2014
- Several issues need to be investigated or addressed if the state wants to pursue an earlier implementation date.
 - Access to federal subsidies before 2014 (pilot?)
 - Impact of guaranteed issue products in Exchange when rest of individual market is underwritten (adverse selection)
 - Access to implementation funding for early roll-out
 - Consistency of federal rules, including benefit package

3. Market/Operational Framework _B :

- Individuals & small groups can buy plans outside the Exchange
- Market regulation promotes competitive “level playing field” between Exchange & Non-Exchange markets
 - Standard age cohorts
 - Standardized health plan benefit option (s)
 - Web-based clearinghouse for market transparency

3. Market/Operational Framework _c:

- Oregon's Exchange should be a single organizational entity:
 - With 2 product lines: Individual + Small Group (aka SHOP)
 - Serving the entire State but with knowledge of regional variations in delivery systems & health plan networks
 - That investigates opportunities for multi-state partnerships to leverage operational infrastructure costs

3. Market/Operational Framework _D:

- Young adult (catastrophic plan) only offered by carriers participating in the Exchange
- Premium parity for plans sold inside & outside the Exchange & merged risk pools
- Federal guidelines & Board policy define the role of agents/brokers within Oregon Exchange
- Small group market defined as 1 to 50 for 2014 & 2015; in 2016, defined as 1 to 100
- State policy decision in 2017 regarding > 100 market

Phased Market Implementation

	2014	2015	2016	2017
Individual	TM + X	TM + X	TM + X	TM + X
1 to 50	TM + X	TM + X	TM + X	TM + X
51 to 100	TM	TM	TM + X	TM + X
> 100	TM	TM	TM	?
<p>TM = Traditional Market X = Exchange Market</p>				

4. Choice of Qualified Health Plans _A :

- Federal regulation will define basic requirements
- BUT... An Exchange may certify a health plan as a QHP if:
 - a) *the health plan meets the certification requirements of the Secretary; and*
 - b) ***the Exchange determines that making the health plan available through the Exchange is in the interests of qualified individuals & qualified small employers in the State in which the Exchange operates.***

4. Choice of Qualified Health Plans _B :

- Pursuant to Federal guidelines, state statute & Board policy, the Oregon Exchange can limit the number of QHPs in each tier (bronze, silver, gold & platinum)

5. Program Coordination

- Oregon Exchange must collaborate on:
 - Coordination of eligibility & enrollment policies & process for Oregon Health Plan (OHP)
 - Phase-out of OMIP in 2014
 - Role of FHIAP for subsidies to small business employees within Exchange

6. Risk Mediation

- Oregon Exchange will coordinate with Federal & State risk mediation programs:
 - Reinsurance (State; 2014 thru 2016)
 - Risk corridor (Federal; 2014 thru 2016)
 - Risk adjustment (State; TBD)

7. Financial Sustainability

- Utilize user fees on premiums permitted under Federal law
 - Clear line of sight between user and fee
 - Appropriate fiscal pressure on Exchange admin costs to remain competitive with non-exchange market

Questions & Discussion